



School Resource Management Adviser Recommendations Report

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Report Prepared for Organisation Name		Shenfield High School	
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Recommendations shared with school / trust?		Yes	
Draft report shared with the trust		No	
Deployment start date (date of first meeting)		15 March 2021	
Date of final meeting		26th March 2021	
Date report submitted		1st April 2021	
Met members of the Senior Leadership Team?	Business Manager/CFO	Met Chair / other trustees?	No

Total Value of Savings / Opportunities Identified by SRMA (3-year best case scenario)	£ 390,000
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Trust Characteristics			
RSC Area [delete as appropriate]	North-West London and South-Central		
SAT or MAT	SAT	Age Range	11 - 18
No. Schools	1	Current NOR	1343
Type of School(s)	Secondary		
School / Trust Characteristics:	FSM 7% Urban city/town		

PART 1: Context and Background

Executive Summary

This deployment took place remotely during restrictions due to Covid 19. Remote meetings took place during March 2021.

Shenfield High School is a single academy trust catering for 1343 pupils aged 11-18 in the town of Shenfield, Essex. The school converted to a single academy trust in February 2012, when it transferred from a Local Authority operated school as an academy converter. The school was rated Good in the most recent Ofsted inspection in December 2014. A short inspection was undertaken by Ofsted in December 2018 when it was confirmed the school continues to be good.

The Principal, Carole Herman, has been in post since conversion to academy status, joining the school in September 2011 and has been a Headteacher since September 2001. Ms Herman has undertaken work with the Association of Secondary Headteachers (ASHE) which attracted £20,000 of extra income for the year 2020-2021 (as noted in the Resources Committee minutes of October 2020).

The Chair of Trustees, Jane Swettenham was appointed in September 2019. She is a retired solicitor and has served on the Board for many years and is also the Chair of Standards and Performance Committee.

Stuart Roberts was appointed Business Manager in September 2016; this is his first post as a Business Manager. He has undertaken the Level 4 SBM qualification and the ISBL Level 7 Certificate in School Financial and Operational Leadership.

I held remote meetings with the Business Manager to collate data to inform the review and to discuss my report and recommendations.

The academy has submitted CIF Bids to secure funding for:

- Refitting 2 old Science Laboratories
- Roofing which requires replacing.

A previous CIF Bid in 2019 was for fire safety improvements.

I carried out an integrated curriculum financial planning (ICFP) analysis to identify where savings could be achieved, reviewing documentation including:

- 19/20 Final Accounts
- 20/21 Monthly Management Accounts
- Analysis of in year spend.
- 2020 Audit Reports
- Risk Register
- Payroll & personnel data
- Scheme of Delegation
- Full Governance meeting minutes & Committee minutes
- 3 - 5-year budget forecast

Background information was gathered through desk top research including evaluation of the academy website, benchmarking data and Ofsted reports.

Catering is outsourced with a 3 + 2year agreement in place from September 2016. The cost is a management fee only, with possible profit share at 50%. Contract is due for review August 2021.

Cleaning is outsourced and the contract due for review in September 2021.

All overspend percentages and values are as measured against the highest in the range of benchmarking comparison data. Kreston Academies Benchmarking Report 2020 has been utilised and the ISBL ISOT benchmarking too to ensure a comprehensive analysis of income and expenditure has taken place.

Key Areas of Focus

The areas of focus include:

Clarity on the financial position.

To review the financial position and clarify why the trust has reported the forecasting of recurring in-year deficits for 2019-20 and 2020/21. 2019/20 £303k (Actual £251,066 deficit), 2020/21 £23k, resulting in erosion of cumulative reserves, which by the end of 2020/21 is projected to be £114k. A drop of 26% since 2018/19.

The reasons why the staff costs had fluctuated.

The loss of significant income/additional funding due the impact of COVID-19.

Reviewing membership of the RPA, which currently the trust does not subscribe to, with any potential cost savings and ICFP undertaken.

Feedback from School / Trust

The following feedback has been received from the trust:

‘Following our final feedback meeting, I’d just like to thank you for your time and insights. I have found the discussions very useful, and the process has re-enforced some ideas that have been in the background as well as providing an opportunity to take stock and evaluate some processes and procedures based on the different and more positive circumstances the school is in compared to a few years ago.

Our discussions have also re-focused some thinking on potential modifications to the internal monitoring and reporting moving forward as well as the need to speed up the use of metrics and benchmarking. Having completed the courses, webinars, and having obtained the ISOT tool from the ISBL training, this will be a real focus over the next term.

The process has been very helpful and supportive and sharing ideas and experiences has been valuable too.’

I have also offered further support to the Business Manager, as required over the next few months, to help with implementation of the changes he will be putting into place.

Leadership, Governance and ICFP

What evidence is there of a current, good quality 3–5-year financial forecast in place?

The current 5-year plan shows the following balances, with the 2019/20 from the published accounts for comparison:

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Brought forward	440,270	251,214	123,879	214,238	293,854	323,283
In-year surplus/(deficit)	(189,056)	(127,335)	90,359	79,616	29,429	(22,651)
Carry forward	251,214	123,879	214,238	293,854	323,283	300,632

The school is seeing a substantial loss in income due to the COVID19 situation. The table below shows the impact of this on 2019/20, the predicted level on income this year being half of what would be expected in a normal year.

	2018/19	2019/20	2020/21	2021/22
Hire of Facilities	153,567	113,320	80,000	160,000

The school is predicting the following pupil numbers:

October Census	2019	2020	2021	2022	2023	2024
Key Stage 3	708	728	739	737	728	720
Key Stage 4	329	385	446	477	491	497
Year 12	151	189	165	165	165	165
Year 13	165	145	160	140	140	140
Total	1353	1447	1510	1519	1524	1522

As can be seen the pupil numbers are rising and the school is becoming a school of choice. On conversion to academy status the school had a capacity of 1,620, which included a 6th Form of 400 places. In May 2019, this was reduced to the current capacity of 1499, including a 6th Form of 300 places. A Free School had opened in the near vicinity and some of the pupils who would have previously attended Shenfield High School had enrolled with the Free School. Recovery of pupil numbers began in 2017/18 and the school exceeded PAN by September 2020 and has predicted a small increase for further years.

The observations made when reviewing the budget are as follows:

- The income budget assumes the increases in pupil numbers.
- The Teachers' Pension & Pay grants will continue to 2024-25 and although recognised separately within the budget plan, the narrative to trustees notes from 2021-22 advised this would be included within the GAG income. The notes also refer to the move to the National Funding Formula.
- The expenditure budgets include:
 - teachers pay rises at 2% after the current pay freeze and increments.
 - Support staff pay increases from April 2022 at 2.75% and increments.
 - Cleaning costs are increased by 5% each year.
 - Energy costs are increased by 7.5% each year.
- Pupil numbers are based on realistic forecasts.
- Some realigning of the income expected is required after receipt of the Funding Letter for the year 2021/2022. This may well result in a surplus in 2024/25.

What is the school or trust's approach to integrated curriculum and financial planning, and does it use any ICFP or Benchmarking tools as part of this process?

The school have advised that they have not used any official ICFP tools over the last few years, although they have used ICFP informally in decision making processes, especially several years ago when cuts were required.

The 5-year plans used by the trust (provided by Finance Contractor) does show high level calculations, such as staff salary costs as % of total expenditure and as a % of ESFA and LA funding, Average cost to school & pupil teacher ratio. However, these are not then RAG rated to give an indication of the benchmark level. They are also skewed by the reduction of the teachers' total pay by the amount of Pupil Premium and Catch-up staffing income.

Metric	5-year plan	Revised (total staff costs)
Staff salary costs as % of total expenditure	81.6%	83.7%
Staff salary costs as % of ESFA & LA funding	85.2%	87%
Average teacher cost to school	£55,180	£61,519

Therefore, the KPI's are giving an incorrect view of the metrics. A **recommendation** to the trust will be to include all staff costs in metric calculations.

The Business Manager advises that he has more recently attended the ISBL and DFE training on using ICFP tools to plan, monitor and evidence ICFP. He has recognised the value of this tool and this will be taken forward as an outcome of the review.

The trust uses KPI's, which are reported to the Resources Committee and included within the Annual Accounts. These KPI's reflect the calculations mentioned above. A **recommendation** to the trust would be to make these KPI's target driven and relevant to the benchmark threshold ranges published, to make the information more relevant.

The school submitted a Self-Assessment tool for 2019-2020. This shows the dashboard largely completed with the rating against thresholds either being 'broadly in-line with similar schools or highest 20% of similar schools. The checklist has partially been completed. On checking the details to the 5-year forecast a number of the figures did not appear to be the same.

	Figures given	SRMSAT	Difference
Total Income	7,095,394	7,245,000	149,606
Total Expenditure	7,284,450	7,380,000	95,550
Teaching	4,612,198	4,385,000	-227,198
Support	374,377	895,000	520,623
Admin	1,297,937	780,000	-514,937
FTE teachers	74.57	70.3	-4.27
FTE total workforce	126.92	115.6	-11.32

The difference in these figures give very different metrics and results.

The information for secondary school for teaching periods in the timetable cycle and total lessons taught by all teacher in the timetable cycle had not been entered and therefore teacher contact ratio had not been calculated.

Is there a costed, prioritised MAT or school-level school improvement plan? If so, please provide details? If not, was this discussed?

School Improvement Priorities

From the school Self-Evaluation Plan dated 11 March 2021, it is noted that the school improvement plan headlines 2019-20 were:

1. To develop a reading strategy to ensure that all students can read to at least their chronological age to support access to the curriculum.
2. Further develop curriculum and assessment practices.
3. Develop a more consistent approach to behaviour management based upon students and staff upholding key values.
4. Support students to achieve better outcomes.

It notes that each of these strands are supported by:

- Action plans for specific elements, as appropriate
- Team Improvement Portfolio (TIPs) to support departmental developments.
- Performance Management (PM) areas of focus to support professional development in support of team and school priorities.

The document, under the heading Leadership & Management notes as a priority:

- To ensure appropriate succession planning by appointing internally a Deputy Headteacher from April 2020. This will facilitate a 4-term crossover with the senior Deputy Head who will be leaving in August 2021. Roles on the senior team will be reviewed following the appointment.

Within this document there is no supporting cost evaluation of this appointment and the cost impact of the 4-term cross-over, or the subsequent review of the cost impact of the Senior Team.

The document, under the heading Sixth Form notes as a priority:

- To find the appropriate balance between recruiting the number of Y12 students to support the schools' finances and ensuring that the right students are on the right courses.

Again, there are not costings attached to this.

There is no mention of the issue of the financial position of the school, the recovery required and the budgetary implications for the changes the school needs to make to maintain or improve outcomes for the pupils.

It is **recommended** that the School Development Plan is costed and also covers the governance and finance areas of the trust.

This is the School Evaluation document and I have not been given a School Improvement Plan for the academic year 2021-22 onwards to evaluate.

There is an appetite for growth into a MAT, this has been explored twice but had not been right for the trust. Opportunities are always considered.

What is the evidence that financial plans have robust challenge from the leadership team and governing body? Does the SLT / finance team have the appropriate skills and/or capacity for effective financial management of the school / trust?

Companies House/Get Information About Schools (GIAS) & Schools Website

A review has been undertaken of the minutes provided and the information held at Companies House, the trust website and GIAS.

The information held in the public domain is, in the main consistent with just one area that requires attention:

- One trustee appears on GIAS and the trust website with difference in appointment start/finish dates.

It is noted that on the school website, under 'Policies & Procedures' there is no Whistleblowing Policy. This is also mentioned in the minutes of the full Governing body of 1 December 2020, when it was noted that the auditors had highlighted this policy was missing. It is noted that the policy was within another policy and it had 'now been extracted'. This now needs to be uploaded onto the website.

Also, on the trust website, there are no personal profiles of the members/trustees and the Register of Interests is dated September 2020. The Academies Financial Handbook 2020 (AFH 2020) states under the heading 'Being transparent about your governance' (AFH 2020 2.49 & 2.50):

- The trust **must** publish on its website up-to-date details of its governance arrangements including:
 - The structure and remit of the trust's members, board of trustees, committees...the trusts, scheme of delegation for governance functions and the full names of the chair of each.
 - For each of the trust's members serving at any point over the past 12 months, their full names, date of appointment, date they stepped down (where applicable), and relevant business and pecuniary interests including governance roles in other educational institutions.
 - For each trustee serving at any point over the past 12 months, their full names, date of appointment, term of office, date they stepped down (where applicable), who appointed them, and relevant business and pecuniary interests including governance roles in other educational institutions.

Further the Governance Handbook (4.8) also states that:

'people that govern schools and trusts hold an important public office and their identity should be known to their school and wider communities'.

Members and Trustees/Governors

The trusts' information on GIAS shows there are two members. One of which is the current chair of the trustees. The AFH 2020 states that an academy trust **must** have at least three members, although the preference is that trusts should have at least five members.

The Auditors had raised the questions of division between the roles of members and trustees this had been noted at the Resources Meeting of the 1st December 2020, which it appears from the minutes two auditors joined although they are not shown in the attendance log (although this had not been mentioned in their letter of the 1st December 2020). The minutes of the meeting state that the roles of the members and trustees will be looked at the

AGM later that week, where it is hoped to appoint a further three new members who are not trustees. In the minutes of the Resources Committee meetings of the 9th October and the 27th November the chair of trustees/SR advised the committee that the 'trustees and members would be increasing to 5 (4 are non-trustees)'. It is noted (in the minutes of the meeting of 14th February 2020) that two these will be SLT members from other local school and that Shenfield High School will provide reciprocal arrangement.

Whilst writing this report, the Board have welcomed 3 new members. These members are from the Senior Leadership Team at a local school, Anglo European School, Ingatestone. It is understood that this school also requires new members and as a reciprocal arrangement the Head, Deputy and the Finance Manager have become members at that school.

The Articles of Association state that the members of the academy trust shall comprise:

- The chairman of the Finance/Premises Committee
- The chairman of the Curriculum Committee
- The Chairman of Governors, and the successors to those positions
- 1 person appointed by the Secretary of State (if required)
- Any person appointed under Article 16.

However, whilst trustees can also serve as members, the most effect governance models recognise that the Members are responsible for holding the trustees/governors to account. Some separation between those serving as trustees and those serving as members is, therefore, desirable for achieving robust accountability. This builds on guidance in the AFH 2020, which states there should be a 'significant degree of separation between the individuals who are members and those who are trustees'.

With the appointment of the 3 new members there will be a much better degree of separation between members and trustees.

The Board of Directors

The board of directors at Shenfield High School is known as the Governing Body. It comprises of those persons appointed under the Articles of Association. The board meets at least 4 times a year and has the following sub-committees:

- Pay – meeting 2 times a year.
- Resources – meeting 5 times a year
- Standards and Performance – meeting 3 times a year
- Headteacher's Appraisal – meeting once a year

- There are also Terms of Reference for:
 - Admissions Committee
 - Pay Appeals Committee
 - Staff Hearings and Appeals Panel
 - Student Discipline Committee

The Governors carried out a self-evaluation for 2020/21. The questions are based on the All-Party Parliamentary Group's "Twenty Questions for School Governors". Out of 23 questions 5 were rated amber with 18 rated green.

Minutes

The minutes of the members meetings, the full Governing Board and the Resources Committee were reviewed. The minutes seen could be clearer in the detail. The school does not employ a dedicated clerk, using an office staff member as the 'scribe' for the meetings. It was **recommended** that a clerk who can undergo clerk training should be

considered. In the most recent minutes of the Resources Committee, it was minuted that a member of staff although not mentioned by name but by job role and therefore identifiable had been absent due to illness/competency issues. This meeting was clerked by a member of staff acting as scribe. It was **recommended** that minutes of this nature were discussed as a Confidential item and staff members were not at that part of the meeting.

It is noted that the trust received a letter from the ESFA regarding the levels of executive pay within the trust, and the Chair of Governors had also held a meeting with the ESFA concerning this issue. The basic annual salary of the CEO/Headteacher is £143,950, with the total salary including on-costs being £162,602.

Risk Register

The Risk Register covers 7 risks only, these are RAG rated, according to a familiar Likelihood and Impact score, before and after control measures are introduced and actions to be taken. It is **recommended** that the Risk Register is reviewed and enhanced, with further details on how it is monitored and the date of reviews. A template has been provided to the trust, to use as an example of the detail required.

Scheme of Delegation

Currently, there are separate documents encompassing the Terms of Reference for the Committees of the Governing Body and a further document entitled 'Authorisation and Monetary Limits, this document is held under the 'Scheme of Delegation' heading on the website. It would be **recommended** that a document such as that held on 'The Key' should be put in place to draw these documents together and build on them. The document, example can show the task involved and whether the FGB, a Committee, an individual Governor and the Headteacher is responsible for that task. The AFH 2020 states that the trustees **must** approve a written scheme of delegation of financial powers. Another example of improvement would be the task of monitoring the impact of pupil premium funding, the review of the Resources Committee minutes and a review of the Standards and Performance Committee terms of reference did show this task, although on the website the Pupil Premium Grant Impact 2019 and the Pupil Premium Grant Expenditure Objectives 2020 are published.

External Audit

The 2020 Annual accounts were prepared by MWS Accountants. The management letter highlighted 6 areas for consideration, which were noted not to be significant (as defined under ISA 265). These were:

- Component accounting – the trust does not undertake this for different assets of a similar nature within the trust.
- Members/trustees – regarding the degree of separation between members and trustees.
- Financial Regulations – wording surrounding the capitalising of assets is potentially misleading.
- ESFA Accounting Officer Letters – it was recommended that the Board minute their discussion regarding the letters received in line with ESFA expectations.
- Internal Review – areas for internal review consideration should be determined by the Resources Committee with reference to the Risk Register and previous audit findings, then communicated to the provider. Significant items for review may include areas not currently covered through the providers' standard testing programme and require separate review.
- Statutory Filings – trustee changes were filed at Companies House outside of the 14-day statutory requirement.

Issues raised from the 2019 audit have been resolved, there were no further matters highlighted.

Internal Audit

The Internal Audit Programme is prepared by Juniper Education, with 3 planned visits over a year. The latest report, November 2020, highlighted 2 high priority issues:

- The signatories held by the bank did not agree to those listed in the Financial Regulations.
- The Whistleblowing Policy had not been published on the academy's website. (This has been highlighted earlier in this report)

This report has not yet been received by the Resources Committee.

The conclusion from the reports submitted is that the internal audit function is not as strong as it could be.

The Trustee Summary Report 2019-20 highlighted 2 high priority issues:

- One trustee's Register of Interests declaration form included a governance role in another educational institution. This interest had not been published on the academy's website.
- As at the date of this review, the attendance records for each trustee at the board and committee meetings over the last academic year had not been published on the academy's website.

The October 2020 meeting of the Resources Committee received the report from the June visit and the Trustee Summary Report for 2019-20.

As noted by the External Auditor, the programme for internal scrutiny must be directed by the Resources Committee. The areas for scrutiny should now cover:

- Strategic & Reputational Risks
- Operational Risks
- Compliance & Property Risks
- Financial Risks

Budgets submitted to the Trustees/Resources Committee

The reports submitted to the Resources Committee show free (unrestricted reserves) to carryforward only. Ring fenced and restricted funds carry forward are not included in the regular reports but are included either at the budget planning meeting and at year-end. The same approach is advised for the 3–5-year budget plans.

It is **recommended** that both restricted and unrestricted reserves are reported to trustees and included within all reports.

The reports submitted to trustees include:

- Budget Position statement
- Cashflow
- 5-year forecast

are supported by a narrative, with headline comments.

The Finance Reports are clear however further details, such as the inclusion of the budget figures against the actuals would enhance the report. The narrative within the minutes also requires to be more detailed to reflect the position discussed.

The 5-year plan appears to be discussed at every meeting with changes made to reflect the proposed outturn within the current year. It is recommended that the 5-year plan (i.e., from 23-24 onwards) is discussed at fewer meetings as it distracts from the current year budget and the monitoring of the issues within it.

Clarity on the financial position.

The issue of the difference between the Budget Forecast Return and the actual year end accounts had been investigated. For 19/20 the forecast in-year deficit was projected to be £303k, the published accounts show the actual in-year deficit to be £189k. A difference of £114k.

The differences have been shown to be:

- Income increased from projected by £45k.
- Salary expenditure reduced by £29k.
- Other expenditure reduced by £40k.

There is a predicted in-year deficit for 2020-21, in further years in-year surpluses are predicted.

What is the school /trust's confidence in its pupil number projections, and the evidence for this?

The trust operates one secondary school with a capacity of 1, 499 including a 6th Form of 300 places. There are currently 1,447 students on roll.

The school is predicting a rise in pupils over the next 4 years, to 1,524.

These figures are reflected within the financial forward planning the trust has undertaken.

These figures are consistent with the conversations held with the trust and shows that the school is now becoming the school of choice in the area.

How is the schedule of contracts for non-staff goods and services managed? Which DfE approved frameworks are being used by the school or trust? Which deals present an opportunity for the school or trust to make further reductions in non-staff costs in the future?

The trust is consistently looking at the non-staff costs for savings. This has been difficult within the last year, however this is now on track, with discussions taking place with the cleaning contractors for a reduction, for example.

The trust does not have a set procedure in place for review of its contracts. There is a contract file with details consisting of supplier name, cost centre used, description of service, start and end date, length of contract, cancellation period, annual cost and notes. The Contract Register had not been presented to the board on a regular basis for trustees to monitor up and coming contracts and provide challenge around value for money. SLAs are also included within the listing. The Contract file submitted did show out of date contracts. It is **recommended** that the Contract File is updated and submitted to trustees for approval at the earliest convenience.

The trust is not currently in the RPA, preferring to insurance with Zurich Insurance via the Essex County Council Insurance Team

For the current year (2020-21) this equates to £29,865.

For 2020-21 the cost of RPA is £18 per pupil, with 1447 pupils on roll this would equate to £26,046 a saving of £3,819. It is **recommended** that the trust look again at the RPA when their next renewal is due.

- Is the school/trust aware of National Deals?
 - Yes
 - No
- Which is the school/trust actively using?
 - National Deals
 - Local Buying Hub
 - None of the above

Energy: the current budget for energy is £155,000, this equates to £107 per pupil on heating and lighting. The national secondary school average is £86 per pupil (Kreston Academies Benchmark Report 2021). The trust uses Zenergi – Energy Consultant services to negotiate gas and electricity deals. The details of contracts used are not within the Contracts Register. It is recommended that the trust obtain quotes from School Switch for comparison. The trust, through the Public Sector DE-Carbonisation Scheme Grant have been awarded £772k (Feb 2021). This work covers the replacement of all light fittings onsite with LED, installing air source heat pumps to heat the pool and the Sports Centre, replacing cladding and windows in a section of the school. There will also be further installations of further Solar Panels. These works could result in energy cost savings of £25,000 upwards each year. If these savings materialise the per pupil spend would reduce to £90.

How are contracts for HR and Recruitment managed?

Please record the recruitment service being actively used by school/trust:

- TVS (Teaching Vacancies Service)
- TES
- Guardian Jobs
- Eteach
- Other (please state)

An HR and Legal Service is in place, the annual cost £5,400 and is contracted on a yearly basis.

What other actions not covered above has the trust already taken to find savings (if necessary) and/or to optimise its use of resources?

The trust works with a consultant to ensure grants and improvements to the premises are cost effective and contracts obtain best value for any work carried out.

The contracts for catering and cleaning are due for review this year, and therefore savings may well be achievable.

With the introduction of ICFP, the Business Manager should be able to influence the spending, being able to demonstrate the reasoning behind the figures.

These two last years have seen a large COVID related spend and loss of income affecting the school, it would be hoped that 22-21 onwards would see a return to in-year surplus positions for the trust.

PART 2: Data and Evidence

Analysis of the School /Trust's overall financial position

The financial position from 2019/20 – 2023/24 is as follows:

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Brought forward	440,270	251,214	123,879	214,238	293,854	323,283
In-year surplus/(deficit)	(189,056)	(127,335)	90,359	79,616	29,429	(22,651)
Carry forward	251,214	123,879	214,238	293,854	323,283	300,632

The trust utilises income generation to support the educational provision, the last 12 months with the impact of COVID has seen this income fall significantly or the current year and for the 2021/22 budget a return to full capacity in this area has been forecast.

The trust has been successful with CIF bids and currently has received a Grant Offer Letter from the Department for Business, Energy and Industrial Strategy (BEIS) to provide a grant of up to £722,116 from Salix Finance to assist in carrying out a decarbonisation programme. This is being overseen by the school's retained surveyors. The trust's contribution amounts to £35,570. £28,000 of this is budgeted for within the revenue budget, with the further savings which will be incurred from this installation being the remaining amounts. This will undoubtedly provide savings in the energy budgets after the work has been completed.

Apprenticeship Levy

The trust has 2 teaching apprentices currently. Previously, a HLTA had taken an apprenticeship and is now in her 2nd year of teaching. The Business Manager advised the levy is used to maximum advantage.

The overall financial management of the trust is robust and monitored closely. It is clear from conversations with the Business Manager, and his engagement with the process that he is keen to enhance and improve the reporting and monitoring of the finances and of the overall governance and business areas of the school.

Commentary on the key metrics

To calculate the key ICFP metrics, the trust's 5-year plan was used. The financial brought forward figures have been confirmed with the published Accounts for 2019/20.

When calculating the staffing metrics, the following applies, including the codes within the Consistent Financial Reporting Framework (CFR):

- Teaching staff as a percentage of income and expenditure includes – teaching staff and agency staff.
- Education Support staff – teaching assistants (TAs), HLTA's
- Support staff – premises staff, administration staff and pastoral staff. Catering and Cleaning are outsourced.
- SLT costs include – salaries and on-costs for all senior leaders.
- Management costs include - all SLT costs and any allowances awarded, such as Teaching & Learning responsibilities (TLRs) and SEN allowances.

Metrics and commentary have been calculated for 2020/21, 2021/22, 2022/23, 2023/24, applying the outturn for 2019/20 as a base.

Income has been used as the determining factor.

Shenfield High School

- The school is predicting a deficit in the current year of £127k, mainly due to loss of income from lettings due to COVID. In the years 2021-22, 2022-23 and 2023-24 surpluses are predicted.
- Self-generated income is deemed low. This is due to the fact that the catering operation at the school is completely outsourced a management fee only is paid.
- Average teacher costs are in excess of a secondary benchmark threshold of £53k-£57k and recorded as £63k in 20-21, £61k in 21-22, £62k in 22-23 and £63k in 23-24.
- Pupil Teacher Ratio (PTR) is determined to be 18-18.5 across the 4 years against a benchmark of 17-18.5.
- Pupil Adult Ratio (PAR) is within the optimum benchmark threshold of 10 -12.5 and calculated to be approximately 10.5 for 20-21 and 11 for the remaining 3 years.
- Teacher Contact Ratio (TCR) is calculated to be 0.76 across all years. This is lower than the threshold range of 0.78-0.8. The potential inefficiency between 0.76 and 0.78-0.8 is quantified as £47k - £94k, which would suggest the school could reduce teaching staff by 0.75 full time equivalent (FTE) – 1.5 FTE.
- Average Class Size is with the threshold benchmark of 23-26 and is determined to be 23-24 over the 5 years.
- The cost of one hour's teaching is calculated to be around £3,200 over the 5 years compared with the threshold range of £2,700 - £2,900.
- All staffing costs as a percentage of income are determined to be 84% in 2020-21, 82% 2021-22, 82% 2022-23 and 82% in 2023/24 against a threshold range of 72-75%.
- Teaching staff as a percentage of income is recorded at 62% in 2021-21, 60% in 2021-22 and 2022-23 and 61% in 2023-24 against a threshold range of 49-54%. Which suggests the school are spending above the threshold for their teaching staff. The additional expenditure above 54% is quantified as £616k in 2020-21, £566k in 2021-22, £505k in 2022-23 and £594k in 2023-24. The split of teachers shows that of 85 teachers, 12% are on leadership scale, 61% are on the UPS, with 18% on MS and 5% on the UQ scale. This high level of UPS teachers does impact the cost of teaching.
- Curriculum staff as a percentage of income is recorded at 5% in 2021-21, 5% in 2021-22, 2022-23 and 2023-24 against a threshold range of 10-12%. Which suggests the school are spending below the threshold for their curriculum staff. The additional expenditure required is quantified as £540k in 2020-21, £567k in 2021-22, £590k in 2022-23 and £594k in 2023-24.
- Support staff as a percentage of income is recorded at 17% in all years against a threshold range of 9-11%. Which suggests the school are spending above the threshold for their support staff. The additional expenditure above 11% is quantified as £462k in 2020-21, £485k in 2021-22, £505k in 2022-23 and £509k in 2023-24.
- Senior Leadership Team (SLT) costs as a percentage of expenditure are higher than the benchmark threshold of 7-10% and determined as 12% in 2020-21, 11% in 2021-22, 10% in 2022-23 and 2023-24.
- Management cost as a percentage of total teaching costs is high against the benchmark threshold of 15-18%, being 25% in 2020-21, 23% in 2021-22, 23% in 2022-23 and 23% in 2023-24.
- The trust have received a letter from the ESFA regarding high executive pay.

OFSTED History

School Inspections for [School Name]			
Date	Type of Visit	Outcome	Detail
12 November 2014	Full Inspection	Good	Good – all categories
14 November 2018	Short Inspection	Good	Continues to be Good

PART 3: Recommendations, Opportunities and associated costed savings.

Costed recommendations
<p>The costed recommendations are linked to key metrics analysis to assist the trust in deploying their resources more effectively. In addition to the metrics, the context of the trust has been considered to ensure potential opportunities/savings are realistic and achievable, ensuring these are not to the detriment of pupil outcomes.</p> <p>Where reductions in staffing have been suggested, no redundancy costs have been included.</p> <p>Suggested reviews of some staff areas have been suggested, such as premises and administration, to ensure best value is achieved for the Trust.</p>
Other findings / uncosted recommendations
<ul style="list-style-type: none">• To include all staff costs in metrics calculated, to ensure accurate reporting.• To include costs the School Development Plan and includes governance and finance areas of the trust.• To consider enrolling into the RPA for the next academic/financial year.• To make KPI's used target driven and relevant to the benchmark threshold ranges published to make information more relevant.• To publish the Whistleblowing Policy on the school website, as also noted in the audit reports.• Ensure accurate and consistent details are published on Companies House, GIAS and the school website.• Publish details of members/trustees on the school website in accordance with the AFH 2020.• Draw together the Governing documents, Scheme of Delegation, Terms of Reference and Financial Regulations. (Sample document shared with the trust)• To ensure the Clerk to Governors, minutes the monitoring of impact of Pupil Premium• To review clerking arrangements and training.• To use confidential items in the trustee meetings to discuss staffing issues.• To improve budget reports to show all monies in-year and reserves and to report on both restricted and unrestricted funds.• To ensure the Risk Register is more comprehensive (Sample document shared with the trust)• To update Contract file and submit to the next trustees meeting for approval.• Potential energy savings once the BEIS work has been undertaken and further solar panels have been acquired.• A staff review would be recommended, especially to address the low ratio found in the Curriculum support staff, with spending against benchmark to be half that expected and also across some support staff areas, such as premises.• Review internal audit procedures.

Opportunities	Analysis / Rationale	Estimated Benefit broken down over three years
Reduction in teaching staff	<p>The metrics show there is high average teacher costs, and high teaching staff costs against expenditure. Further analysis of the staff would be required to ensure future planning and appointment of staff. However, the analysis would suggest that there is an opportunity to generate savings through a more effective deployment of staff.</p> <p>The TCR data would suggest the school is paying approximately £94k above the threshold. A realistic reduction of 1.5 FTE teaching staff is recommended.</p>	<p>2021-22 £85k</p> <p>2022-23 £85k</p> <p>2023-24 £85k</p>
Reduction in Support staff	<p>The metrics show there is high spend on the Support staff. This is without allowing for the Catering and Cleaning staff which are outsourced.</p> <p>Premises Staff – there are 6 staff, all of which are 52 weeks per year, 3 are 37 hours per week with 78 hours per week being shared by the other 3 a total of 189 hours per week.</p> <p>Administration Staff – there are 19 staff with an FTE of 15.21 FTE. 9 have 37 hours per week contracts, non are term time only.</p> <p>Pastoral Staff – there are 12 staff with an FTE of 10.77. 8 staff have 37 hours per week contracts, most are not term time only.</p> <p>The metric Support staff as a percentage of income shows there is an overspend in the current year of £480k although taken with the Curriculum staff this metric then reduces to a more expected level. As suggested a staff review would uncover more exact savings in this area, the figures given are a suggestion.</p>	<p>2021-22 £45k</p> <p>2022-23 £45k</p> <p>2023-24 £45k</p>

This report is intended to provide this school/trust with a range of options which have been discussed during the SRMA's deployment. Ownership and implementation of any recommendations is the school/trusts decision and responsibility. The recommendations have been developed using the data made available to the SRMA, combined with their knowledge skills and experience of school business and ICFP. The range of options have been discussed during the SRMA deployment. It is not an exhaustive list and can only take into account the current organisational context and data available.